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ICAPS
7/20

2430 E Street, NW

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12 SEP 1947

NOTED BY:

Major General S. J. Chamberlin
Director of Intelligence, WDGS
Room 2E-800, The Pentagon
Washington, D. C.

Dear General Chamberlin:

Receipt is acknowledged of your letter of 4 September 1947 requesting reconsideration toward reestablishing the "A" and "X" wire services of FBIS for the Intelligence Division, War Department General Staff.

The "X" wire service was discontinued only after very careful study of the legal restrictions, both in the Federal Communications Act and in the International Communications Convention to which the United States is signatory, and after legal advice. In addition, the reaction of the United States press services to the "X" wire operation, which was presented to me personally, made it essential to discontinue this service.

The "A" wire service was discontinued only after a canvass of its users. All users except the Intelligence Division, WDGS, indicated that this service was not essential to their intelligence operations. For this reason it could no longer be considered an essential central service and its expense, approximately \$34,000 per year, was not warranted for service to only one agency.

CIG will endeavor to provide such central services to the IAB agencies as those agencies desire, to the utmost extent of our ability to do so. We must, however, under current circumstances, maintain legality of operation and also constant scrutiny of operational costs to insure an justifiable economy in the expenditure of government funds.

Sincerely,

R. H. HILLEMOETTER
Rear Admiral, USN
Director of Central Intelligence

cc: Chief, ICAPS
cc: Asst. Dir O/O

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